



USDA Foreign Agricultural Service

# GAIN Report

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## Hungary

### Poultry and Products

### Avian Influenza Threat Hurts Poultry Sales

2005

**Approved by:**

Sarah Hanson  
U.S. Embassy

**Prepared by:**

Dr. Ferenc Nemes

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**Report Highlights:**

Retail sales of poultry meat have dropped 15 to 20 percent in the past few weeks. Consumption of broilers decreased the most (at about 30 percent), the reductions for turkey, geese, and ducks sales were less. Value-added products, such as oven-ready products, breast-ham, and sausages, did not experience declines. No major cross commodity effects have been observed so far. The Hungarian Poultry Product Board launched an attractive and timely public relations campaign at the beginning of the Avian Influenza (AI) scare. The Hungarian poultry associations have agreed on an approximate one-third voluntary reduction in output.

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**Consumers are Concerned**

Retail sales of poultry meat have dropped 15 to 20 percent in the past few weeks. Consumption of broilers decreased the most (at about 30 percent), the reductions for turkey, geese, and ducks sales were less. Value-added products, such as oven-ready products, breast-ham, and sausages, did not experience contractions. No major cross commodity effects have been observed so far. During the four day holiday weekend from October 29 to November 1, poultry consumption returned to normal temporarily. However, following the holidays poultry consumption declined again. Poultry farm sales have been lower than in 2004, but the reductions may be partly attributable to the longer-term production cycle.

**Poultry Association Activities**

The Hungarian Poultry Product Board launched an attractive and timely public relations campaign at the beginning of the AI scare. The board disseminated practical information about the nature of AI through paid advertisements and explained the food safety measures that are being used in the poultry farming and processing sectors. The campaign also drew on the public's national pride by promoting the "high quality Hungarian poultry products". The Government of Hungary provided \$96,600 USD (HUF 20 million) for the \$966,000 USD (HUF 200 million) media and promotion campaign.

The Hungarian poultry associations have agreed on an approximate one-third voluntary reduction in output. However, the supply effects of the reduction may occur only months after the measure due to "deadweight " in the production chain.

**Governmental Efforts**

The Government of Hungary's public relations campaign on AI has proved to be ineffective. Notices from the general public to the National Veterinary Institute increased from a few cases annually to more than 1,200 cases in the last weeks. Samples tested for AI have proved to be negative so far. The partial monitoring of 8,000 domestic poultry and 2,000 wild birds have also resulted in no findings of AI (the monitoring was mandated until the end of the year by the European Union).